



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURE IN REPUBLIC SERVICES' PURCHASE OF ASSETS FROM ALLIED WASTE INDUSTRIES

Divestiture in Ohio Will Preserve Competition

WASHINGTON, D.C.-- The Department of Justice will require Republic Services Inc. to sell its Akron/Canton, Ohio small container commercial waste collection assets in order to proceed with its \$55 million acquisition of Allied Waste Industries Inc.'s Akron/Canton hauling assets and related facilities. The Department said that without the sale of the Republic assets, the deal would have resulted in higher prices for waste collection in this area.

The Department's Antitrust Division filed a lawsuit today in U.S. District Court in Washington, D.C. to block Republic's acquisition of the Allied assets. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the Department's competitive concerns and the lawsuit.

"Without the divestiture of the Republic assets, consumers in Akron/Canton would have paid higher prices for waste collection," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division. "This resolution ensures that the benefits of competition--lower prices and better services--will be preserved."

According to the complaint, Republic's proposed acquisition would have substantially lessened competition in the waste collection industry in Akron/Canton, Ohio. Republic and Allied are two of four major competitors providing waste collection services in Akron/Canton.

Waste collection and disposal firms, like Republic and Allied, contract to collect municipal solid waste (trash and garbage) from residential and commercial customers. They transport the waste to disposal facilities such as landfills, incinerators, and transfer stations, which process and legally dispose of waste for a fee.

Republic Services Inc., which is based in Ft. Lauderdale, Florida, had domestic revenues of approximately \$1.8 billion in its 1998 fiscal year.

Allied Waste Industries Inc., headquartered in Scottsdale, Arizona, is the second largest waste hauling and disposal company in the U.S., with sales of approximately \$6 billion in 1999.

As required by the Tunney Act, the proposed final judgment will be published in the Federal Register, along with the Department's competitive impact statement. Any person may submit written comments concerning the proposed decree during a 60-day comment period to J. Robert Kramer II, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H Street, N.W., Suite 3000, Washington, D.C. 20530 (202-307-0924). At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the final judgment upon finding that it serves the public interest.

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